

Template for additional funding ask for Local Growth Fund (LGF) projects (Plumpton College)

1. Project Title

The original title was:

Skills and business support for rural businesses post Brexit

The proposed revised title is:

Skills and business support for rural businesses post Brexit, including Covid-19 response programmes to support economic recovery

2. Federated Board

East Sussex

3. Project description

Plumpton College is the regional specialist land based training and education centre, working with c2000 businesses and educating c3,500 students annually.

This project is a capital infrastructure development to:

A1. Construct a 2 storey centre of excellence in AgriFood knowledge transfer, business improvement and skills training

- Gateway to the College farm and biosecurity training centre
- Knowledge exchange conferencing centre
- Rural Business networking facilitation space
- Butchery and meat processing demonstration and training suite
- Bakery demonstration and training suite
- Offices for co-location of Account Managers and Business Relationship Support Team
- Landscaping for site enhancement

A2. Improve pedestrian and road user access to the new facilities

- Remodelling of Wales Lane and construction of new access road and car parking facilities. Enhancement of road entrance to allow two-way traffic at all times and facilitate main site user access. Widening of road junction and adopted highway "Wales Lane"; demolition of existing glasshouse and construction of new road way
- Re-siting of animal enclosures and construction of new car park
- Enhanced bio-security controls and ingress and egress to Lambert Farm facilitated by revised road and pedestrian access scheme.

A3. Redevelop the pig production and beef and sheep handling facilities, including automated milking stations

- Demolition of existing facility and construction of a 2 FTE staff capacity unit to act as a primary demonstration and skills facility in direct support of butchery unit
- Enhancement of existing BEEF facilities to install new race system and herd inspection equipment
- Enhancement of existing SHEEP facilities to install new race system and flock inspection equipment
- Remodelling of existing dairy unit to include new technologies for milking and cow welfare

A4. Develop a village green through landscaping opportunities

- Significant earthworks and planting to maintain a central green swathe through the campus and protect North-South views to/from the South Downs, creating an outdoor social / learning space for community and College use

This capital investment project will secure the infrastructure developments to support agrifood and associated business to raise productivity and efficiency, supporting both Brexit transition and the Government Covid-19 response programmes by:

1. Leading the land based response to training for Covid-19 impacted businesses and redundancies
2. Supplying more highly trained, educated and entrepreneurial new entrants (more capacity)
3. Continually updating of the existing workforce (professionalising)
4. Supporting business leaders to adopt improved business techniques to exploit market opportunities (adding value and reducing costs)
5. Increasing technical skills to a) fill the current national shortage of 650,000 technical vacancies (land-based); 150,000 in the southeast, and b) **meet skills demand through new AgriFood opportunities which are not currently delivered elsewhere in the south east**
6. Extending Plumpton College's enhanced presence to support businesses (agri-food and associated) for Brexit and the post-Brexit period, including recruitment of individuals with appropriate levels of skill and recovering from Covid-19

The infrastructure developments consists of four interrelated elements which are set out below. These elements are intrinsically interlinked and remain as set out in the FBC. With planning permission secured, the project has a very clear critical path and it is not possible to remove one element without compromising the delivery of the other elements. For example; the first aspect of the critical path is the build of the new piggery in a different location which not only presents a more efficient and lower impact development but also facilitates the build of the knowledge transfer hub and associated parking in its previous location.

This project has now received full planning permission as part of a whole site master plan development, which has brought forward a further 10,000m² for skills development projects. Central to this was the requirements of the planning authority to bring the whole site forward rather than a collection of piecemeal individual projects. We have utilised the Coronavirus lockdown period to limit the impact of planning approval conditions and pre-commencement requirements. This has enabled further understanding and therefore risk mitigation of the whole project scope and we are now well placed to procure a main contractor.

4. What was the value of the Benefit Cost Ratio included in the original Business case approved by SELEP?

The original BCR position is shown below

Overall BCR Position – Preferred Option		
Net Land Value Uplift (NPV)	£0.6m	
Net Labour Supply Impacts (NPV)	£17.1m	
Net Move to More Productive Jobs Impacts (NPV)	£1.6m	
Net Business Support Impact (NPV)	£5.0m	
Total Net Impact (LVU and Welfare)	£24.3m	
Project Funding Requirement	£2.9m LGF	£7.0m Full Project
Initial BCR	0.21 : 1	0.09 : 1
Adjusted / Overall BCR	8.33 : 1	3.45 : 1
BCR including Optimism Bias (+51%)	5.52 : 1	2.29 : 1

The Land value BCR is not relevant to this development because the main outcomes are education and training related and hence affect the economy rather than raising the nominal value of land around the development.

At the time of application, the original optimism bias was estimated by Genecon as 51% reflecting the average optimism bias from similar projects. The Adjusted BCR including the optimism bias at 51% was 5.52 and 2.29 for LGF and whole project investment respectively, representing a very good return compared with a qualifying threshold of 2.0.

Our work during the Coronavirus lockdown period has allowed the review of project deliverables and the revised outputs in sections 5 and 12. This increase in learning outcomes has arisen because whilst the economic circumstances of Covid -19 and Brexit have increased project costs, both the Government Covid-19 response programmes and the preparations for Brexit are generating additional demand for training and business support. We estimate this to be at least a 20% increase in training volumes and this is further supported through an increased appetite amongst beneficiaries for a more flexible training delivery model facilitated through both blended and hybrid learning¹.

Based upon data to the end of September 2020 our full time student applications and apprenticeship demand is up by 12% and demand for adult training programmes by 23%.

¹ Blended learning refers to a training structure that combines face-2-face and virtual/remote learning in a timetabled system. Hybrid learning provides further flexibility by undertaking both F2F and virtual learning at the same time through hardware packages such as MS Teams rooms.

5. Summary of Project benefits

The revised project benefits summary is set out below. NB: The training and education related outcomes from the revised project will be 20% greater resulting from more effective use of the space created through on line learning (blended learning) and the increased supply of trainees from Covid-19 response programmes.

The revised project benefits are:

Direct Outputs associated with project expenditure	
Gross Internal Floor area created.	1,506 m ² GIA - (£/psm aligns to UK Construction Cost Data – released July 2018)
Infrastructure – new roads built	0.35km
Infrastructure – car parking spaces created	200 spaces (includes e-vehicle recharge ports)
Jobs created	7
Jobs safeguarded	13
Growth in apprentices	220 annually
Growth in learners	295 annually
Business support interventions (non-financial support)	720 annually
Indirect Outputs arising from the operational facilities (post Feb 2021)	
Learner engagements	6000+ p.a. (arising from visits, taster courses, lectures, demonstrations, interviews, networking events etc...)
Business support interventions (non-financial support)	3000+ p.a. (arising from events, mentoring, peer exchange, masterclasses, demonstrations, student/employer meets etc)
Course fee leverage	£938,000 p.a. NB this is the revenue funding for the delivery of the programmes, including teaching, administration, consumables, insurance, lighting, learning support etc.

See updated detailed list of outcomes in Annex 1

6. Existing LGF allocation

LGF secured to date is £2,918,000

7. LGF spent to date

LGF spent to date is £315,612

Match contribution to date is £268,992

8. Additional LGF sought

This request for additional LGF investment is legitimate because the College approached SELEP on 17 September well before this new funding was made public and launched.

Additional LGF requested	£1,495,000
LGF already secured	£2,918,000
Match from Plumpton College	£4,119,020
Revised total project costs	£8,532,020

Revised Intervention Rate = 51.7%

9. Why is the additional LGF investment required?

There are three causes underpinning our request for additional LGF investment:

1. Preliminary costs to bring the site forward for development (see Annex 4 also)

The College has incurred significantly more preliminary costs than anticipated to bring the site forward for development. The Planning Authority insisted that the overall Site Master Plan (encompassing all elements of this project) was approved prior to, or as part of, any detailed phase application; in essence creating an integrated, uniform planning approval package. This decision by the South Downs National Park Authority resulted in significantly more decision-making information being required. This in turn was complicated further by COVID related delays and extended consultation periods that generated additional civil engineering, ecology and archaeology works necessary to complete the application.

At the time of approval over 120 documents were required to support the application and this enabled the SDNPA Planning Committee to vote unanimously in favour of the application. A central theme to the approval of this application was the recognition of committee members of the role that Plumpton College plays across the regional economic and social landscape.

A significant number of planning conditions were set out by SDNPA many of which are 'pre-commencement' conditions and we have been working through these during the Summer 2020 and continue to do so. We estimate that we have a further 8 weeks of work to the end of 2020 prior to clearing all of them. This does not put the project at risk but in many ways removes potential risks from rising later after starting building. However, that work has increased time and associated costs.

2. Inflation related cost pressures

The initial budget was taken from January 2019 build data but procurement could not start until November 2019, the date at which the funding agreement was in place. The delay in obtaining a funding agreement used up a large part of the project's time contingency and 2 months later business confidence fell as the Coronavirus developed. Coupled with the delay in obtaining planning permission, there is now a significant inflationary impact on project cost elements as businesses aim to recover lost income during the initial Covid-19 period and the continuing working social distancing regulations. However, we are now obtaining cost information aligned to clear lead-in times and have set our updated cost estimates against this.

3. Mechanical and electrical infrastructure amendments

M&E survey works undertaken since May 2020 have identified capacity constraints within the college's electrical infrastructure which would be exceeded based upon the current scope of the A1 building. The most cost effective solution to this constraint is an amendment to the specification of heating and hot water generation for the A1 building rather than the installation of a series of electrical substations across the western end of the site.

We propose an amendment to the heating supply process to utilise a stand alone bio-mass heating plant² to serve the agrifood centre and two adjoining buildings. This would represent an efficient and sustainable way of addressing this issue whilst preserving our existing electrical infrastructure to better support EV charging points in the new car park. It also supports the Government's and East Sussex County Council strategies of 'greening the economy'. Additionally, the biomass heating plant will also secure our 'Excellent' BREEAM rating (75% score) and lower the overall use of fossil fuels (specifically oil and propane) within the site vicinity.

² We have also considered air-source and ground source heat pumps but neither represent an efficient solution for this project.

Whilst we view this aspect as a necessity, it does also serve to enhance the overall scope of the project by ensuring that environmental best practice is a central thread to this project.

Cost Position Summary:	
Preliminary cost variance	£ 235,057.00
Inflation related cost pressure	£ 805,155.00
M&E infrastructure amendments	£ 454,788.00
Overall cost pressure/LGF ask (inc Fees & VAT)	£ 1,495,000.00

10. Can the project proceed without the additional LGF?

The initial Full Business Case and updated benefits rely on completing all project aspects. Mutual dependencies between main project elements mean that the scope of the project as currently set out represents the minimum necessary to achieve the desired benefits. We therefore need the additional LGF to deliver the full scope of the project within the timeframe to the revised costs.

The additional LGF will allow us to deliver the project against the critical path attached – i.e. we would be reporting on beneficiary outcomes during the summer 2022. Our fear at present is that this could be delayed until summer 2024 if we had to generate further match to offset the lack of the additional LGF.

Without the additional LGF the project could proceed to a ‘clean break’ point which we estimate could be implemented at some point during the fit-out of the A1 building. Whilst this position would be clarified further through the tender and contract award process, it would inevitably have a disproportionate negative effect on project benefits. A ‘clean break’ point would bring the project to a sensible stop point without compromising health and safety as well as removing the reliance on temporary ‘in-build’ logistics and infrastructure. This would require us to wait until such time as we are able to generate further match funding.

At present the College does not have the opportunity or ability to increase its own level of commercial loan facility to address the shortfall and this is unlikely to change over the next 3 years. We have built a strong relationship with [REDACTED] (the provider of our loan facility) but our loan through them represents the maximum that we are able to access and the only finance we are able to access given the withdrawal of the wider financial sector from the FE landscape.

Once the project is finished we remain confident that the outputs stated in the bid will be delivered year on year as a minimum. The additional LGF is therefore crucial in securing the completion date and depending on the construction management plan adopted by the main contractor a clean break could produce a variety of scenarios.

Total outcomes are not at risk (as explained above we feel the additional LGF can increase outputs) but the timing and therefore the impact of them is. **We feel that this time factor is especially significant given the need for economic recovery at some point following Covid and the inevitable impact of any Brexit trade deal.**

11. What are the main project risks impacting the ability of the project to proceed?

A revised risk register is included as Annex 3

12. Have the project benefits changed since the original Business Case was approved by the Accountability Board? If yes, please state the nature of these changes and the likely impact on the value for money case

Section 5 above and Annex 1 refers.

We have procured an external consultant (vetted and approved by ESCC) to reassess the BCR case for this revised project. Changes to the original business case are shown in yellow.

The **revised project** considered is now the preferred option with the additional investment from LGF, realising a 20% uplift in outcomes with reduced optimism bias reflecting the advanced stage of the project and increased pipeline for training and education from Covid-19 response programmes.

Annex 2 gives the full detail of the BCR assessments for the Preferred Option.

In summary, the Adjusted BCR including welfare impacts from the training and education delivered as a result of this capital investment include:

(a) Labour Supply Impacts

Application of a GDP per job benchmark for Surrey, East Sussex and West Sussex (£72,843, ONS) has then been applied to estimate the overall GDP contribution of workforce entrants. It is estimated that the 311 qualifiers entering the workforce could generate around £226.6m in GDP towards the UK economy through 10 years in employment.

The table below shows the summary of labour supply impacts assumptions.

Summary of Labour Supply Impacts	
Number of qualifiers (10%) over ten years	311
Total GDP Impact over 10 years	£226.6m
Welfare contribution	40%
Gross GDP Impact over 10 years	£90.6m
Gross GDP Impact at NPV	£62.7m
Deadweight	-25%
Displacement	-50%
Net GDP Impact	£33.6m
Net GDP Impact at NPV	£23.3m

(b) Wage Premiums - Move to More Productive Jobs

Through this analysis it is estimated that a total of around 1,240 qualifiers from the College could generate wage premiums in the order of £26.8m over the ten years following the completion of the qualification. In line with HM Treasury 'Green Book' principles (and WebTag), 30% of the additional wage premiums may be collected through local or national taxation generating £7.9m of gross GDP impacts, £5.5m of GDP at NPV.

The table below shows the overall number of qualifiers by NVQ level and estimates of wage premiums that could be achieved by qualifiers through first 10 years in employment.

Qualifiers and Wage Premiums by NVQ Level			
Qualification	Qualifiers over 10 years	Annual Wage Premium	Total 10 year Wage Premium
Apprenticeship (NVQ L2)	645	+£1,921	+£12.4m
Apprenticeship (NVQ L3)	230	+£2,609	+£6.0m
FT Students (NVQ L2)	184	+£1,921	+£3.5m
FT Students (NVQ L3)	184	+£2,609	+£4.8m
Total	1,244		+£26.8m

A summary of these adjustments for wage premiums is provided in the table below.

Summary of Move to More Productive Jobs Impact	
Total qualifiers over ten years	1,244
Total gross wage premiums	£26.8m
Welfare contribution	30%
Total gross GDP impact	£7.9m
Total GDP impacts at NPV	£5.5m
Deadweight	-25%
Displacement	-50%
Total net GDP impact	£2.9m
Total GDP impact at NPV	£2.1m

(c) Business Efficiencies - Business Support Impacts

It is estimated that the Preferred Option has potential to generate £8.6m in net welfare-related GDP impacts, £6.7m at NPV.

The table below presents the analysis of GDP impacts associated with formal business support activities delivered through the College.

Summary of Business Support Impact	
Businesses receiving formal support over ten years	4,030
Turnover supported (1% per businesses over 3 years)	£325.0m
Total jobs supported (incl. 50% deduction for impacts captured elsewhere)	105 FTEs
Total GDP supported	£76.4m
Welfare contribution	30%
Total gross welfare-related GDP impact	£22.9m
Total GDP impacts at NPV	£17.8m
Deadweight	-25%
Displacement	-50%
Total net GDP impact	£8.6m
Total GDP impact at NPV	£6.7m

Overall BCR Position – Preferred Option

A summary of the initial (Land Value Uplift-based) and adjusted (Welfare Impacts-based) BCR position is provided in the table below, set against both the SELEP LGF investment and the overall project cost.

This also includes an allowance for Optimism Bias to reflect uncertainties in the project cost estimates. Optimism bias has been set at 25%, reflecting 51% upper end OB in non-standard building in with HM Treasury Green Book (2018) and mitigated downwards to reflect the advanced stage of the project, cost and planning certainties and the fact that some build elements will be reasonably standard.

Overall BCR Position – Preferred Option		
Net Land Value Uplift (NPV)	£0.6m	
Net Labour Supply Impacts (NPV)	£23.3m	
Net Move to More Productive Jobs Impacts (NPV)	£2.1m	
Net Business Support Impact (NPV)	£6.7m	
Total Net Impact (LVU and Welfare)	£37.7m	
Project Funding Requirement	£4.4m LGF	£8.5m Full Project
Initial BCR	0.15 : 1	0.08 : 1
Adjusted / Overall BCR	7.46 : 1	3.85 : 1
BCR including Optimism Bias (+25%)	5.96 : 1	3.08 : 1

On this basis, when compared to the SELEP LGF investment, the project delivers an overall BCR of 7.46:1. This reflects excellent value for money prospects, notwithstanding other project benefits in terms of the operational jobs supported by the College. Also the project will support a range of less formal education and targeted business interventions to ensure the ongoing success of the Agri-food sector whilst supporting the accessibility and amenity improvements across the Plumpton College estate.

13. How can the project support the economic recovery?

The strategic case for this project is now stronger than that set out in the FBC. This project will make a significant contribution to economic recovery by developing the skills of young people, the existing workforce and upskilling business principals. The scale of this is significant as evidenced within Section 5 and Section 12 above.

The revised Adjusted Benefits Cost Ratio of 7.46:1 is much higher than the 1.5 now assumed acceptable for return on recent local capital projects, reflecting covid impacts.

This project will directly support the following local, regional and national strategies which have emerged in detail since the FBC was written and approved:

- SELEP Covid response and business support strategies
- SELEP Future Rural Skills Evaluation recommendations
- Government’s Plan for Jobs
- Lifetime Skills Guarantee

- The Development and aspiration of the new National Institute for Agriculture and Horticulture (Plumpton is participating at strategic level)
- The delivery of the new Agriculture Bill
- The delivery of the new Environmental Bill
- East Sussex Economic Recovery Plan (ESCC local plan) – Strands shown below

Mission 1: Thinking local, acting local

- Create and safeguard jobs in the county
- Ensure local businesses have the necessary support and finance to enable them to adapt, recover and grow
- Capitalise on the home grown and inward investment potential created by the Covid-19 crisis

Mission 2: Building skills, creating jobs

- Help develop the employment and skills base of the East Sussex workforce
- Expand the skills base of East Sussex employers and their workforce
- Increase the employment opportunities with East Sussex employers
- Increase digital inclusion and digital skills in East Sussex

Mission 3: Fast-forwarding business

- Provide support to East Sussex businesses in these sectors to help safeguard local jobs
- Support the health and wellbeing of the population to enable people to get back to work and education
- Support skills development in these sectors

Mission 4: Better places, fuller lives

- Support the provision of Covid-19 compliant spaces
- Enable broader economic recovery away from the high street
- Ensure the involvement of local people and businesses to support social inclusion and diversity within their own place

Mission 5: Cleaner energy, greener transport

- Increase the number of people walking, cycling and using public transport in East Sussex
- Improve air quality and reduce carbon emissions in the county

Mission 6: The future is digital

- Increase digital inclusion

As a reminder, this project will also directly support the following strategies and organisational ambitions in place at the time of the original business case. They continue to remain relevant in securing economic recovery and growth:

- Government Industrial Strategy
- Government Educational Policy
- Government Area Based Reviews
- Industrial Strategy Challenge Fund
- Defra 25 Year Food Plan
- Institute of Directors
- All Party Parliamentary Groups (APPGs)
- The Agri-Food Skills Strategy

- The establishment of the Agriculture and Horticulture Workforce Skills and Development Strategy
- The Food and Drink Sector Council
- Health and Harmony agenda
- Innovation South
- SELEP Rural Working Group
- SELEP Strategic Economic Plan
- SELEP Rural Strategy
- SELEP skills Strategy 2015 and 2018
- Plumpton College 7 Year Strategy

14. If additional funding is awarded to the project, are there any remaining barriers to project delivery (for example: outstanding planning approvals, other Government requirements, other funding sources awaiting confirmation)?

This project is already delivering against the profile submitted in October 2020 and with the additional LGF investment there are no barriers to the project being delivered within the extended period. All planning permissions are in place and the table below provides a summary statement against each project element which together represents the full scope of the project:

Element	Design Stage	Tender status	Appointed/expected contractor	Key status indicators
Match Funding	N/A	N/A	██████████	<ul style="list-style-type: none"> • Agreement now in place
Preliminaries & planning	Complete	Complete – full management team appointed	Lead architect – MJB architecture C Eng – GTA Civils Landscape – Nick Harper GeoTech – Your Environment M&E – Seraphic Consulting BREEAM – XDA Consulting S Eng – Waller Gray Ltd Archeology - ASE	<ul style="list-style-type: none"> • Cost plan complete • S106 draft received and in process of sign-off. • Planning permission awarded 13th August 2020 • UKPN instructed for power line diversion.

Build of new pig unit	Complete	Complete	Quality Equipment Ltd	<ul style="list-style-type: none"> All VE works complete. Steel frame manufacture to commence in Feb 2021.
Agri-tech elements	Complete	Complete	Lely Ltd	<ul style="list-style-type: none"> Bio-security and access plan signed off. Robotic milker due for install Mar 21.
Agri-food KT building	Complete	Tender now being taken forward through SE Consortium.	TBC	<ul style="list-style-type: none"> Site set-up expected late March 21
Road & parking infrastructure	Complete	As above	TBC	As above
Butchery facility	50% complete	1 st stage complete, 2 nd stage revisions expected w/c 4 th Jan 21	TBC	<ul style="list-style-type: none"> Dairy processing equipment sold and funds ring—fenced for project contingency. A&W notice given Works expected to start late Feb 21.
Landscaping	Complete	Tender to be launched 14 th Dec 20	TBC	Currently in appraisal stage of Hyde and SE Consortium as agent to run compliant tender process.

Original funding breakdown (as per the original Business Case)											
Funding source	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024 onwards	Total
<i>LGF 3B</i>					£2,133,900	£784,100					£2,918,000
<i>Plumpton College</i>					£1,772,000	£2,347,020					£4,119,020
Total					£2,860,900	£3,881,120					£7,037,020

Revised funding breakdown (£m)											
Funding source	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024 onwards	Total
<i>LGF</i>					£228,805.00	£1,061,684.00	£3,122,511.00				£4,413,000.00
<i>Plumpton College</i>						£386,992.00	£1,647,510.00	£2,084,518.00			£4,119,020.00
Total					£228,805.00	£1,448,676.00	£4,770,021.00	£2,084,518.00			£8,532,020.00

Sign off of additional funding ask – required from lead County/Unitary Authority

Dear Colleague,

In submitting this project application for additional LGF, I confirm on behalf of *[Insert name of County or Unitary Authority]* that:

- The information presented in this application is accurate.
- The application states all substantial project risks known at the time of submission.
- The delivery body has considered the public sector equality duty and has had regard to the requirements under s.149 of the Equality Act 2010 throughout their decision making process. This should include the development of an Equality Impact Assessment which will remain as a live document through the projects development and delivery stages.
- The delivery body has access to the skills, expertise and resource to support the delivery of the project.
- Adequate revenue budget has been or will be allocated to support the post scheme completion monitoring and benefit realisation reporting.
- The project will be delivered under the conditions in the signed LGF Service Level Agreement with the SELEP Accountable Body and SELEP Ltd.

I note that the information presented in this application will be presented in the public domain as part of the Strategic Board's prioritisation of projects. Any information presented in this application which is considered commercially sensitive and confidential, has been highlighted as such within this application.

Yours Faithfully,

S151 Officer

Name

Signature

Date

Senior Responsible Officer

Name

Signature

Date

Annex 1

Revised project outputs and outcomes (NB the education outcomes have been increase by 20% because of the additional capacity created through on line learning (blended learning) and the increased pipeline for skills training through Covid-19 response programmes. These are highlighted in yellow.

A1. Construct a 2 storey centre of excellence in AgriFood knowledge transfer, business improvement and skills training

- Gateway to the College farm and biosecurity training centre
- Knowledge exchange conferencing centre
- Rural Business networking facilitation space
- Butchery and meat processing demonstration and training suite
- Bakery demonstration and training suite
- Offices for co-location of Account Managers and Business Relationship Support Team
- Landscaping

A1. Project outputs and outcomes

- ** 324m² AgriFood information and knowledge transfer suite (incorporating meeting hubs) supporting high quality knowledge transfer
- ** 3000 employees / businesses engaging knowledge transfer technical update (1:many) annually
- ** 72 businesses taking up mentoring and coaching support through knowledge exchange activities
- ** 14 industry professionals providing *Pro Bono* coaching to new entrants and those scaling up
- ** 180 businesses annually engage in business support evaluation and planning through College Account Managers
- ** 30 companies use the conferencing and networking centre for knowledge transfer, e.g. AHDB
- ** BREEAM Excellent to Outstanding rated facility for conferencing and networking
- ** 1400 individual uses of the atrium for ad hoc (drop in) business networking meetings
- ** Work experience matching service - 850 students and 170 employers annually.
- ** 120 businesses purchase conferencing accommodation / private rooms for networking meetings.
- ** 480 farmers regionally experience the exemplar biosecurity control system annually.
- ** 1500 College students utilise new biosecurity measures as training in biosecurity for land based businesses
- ** 3000 schoolchildren benefit from use of biosecurity training - enriches National Curriculum
- ** 500 existing students have improved access to farm demonstration data
- ** Development of community based courses because of much reduced and management disease risk
- ** realisation of potential to showcase recent improvements to farm management, and improved productivity and environmental practices to local farmers and growers e.g. through regional AHDB and NFU hosted knowledge transfer events
- **BREEAM Excellent to Outstanding facility for butchery and bakery training
- ** 14 FT students / trained in butchery (Level 2)
- ** 14 FT students / trained in butchery (Level 3)
- **200 qualified butchers attending master classes annually
- **120 adults attending butchery short courses annually
- ** 65 apprentices trained in butchery annually (Level 2)
- ** 35 apprentices trained in butchery annually (Level 3)
- ** 2.0 lecturing job created (butchery)
- ** 1.0 technician job created (butchery)
- ** 0.25 cleaning role created (butchery)
- ** 105 businesses using the facility for product development and evaluation
- ** 400 businesses / employees attending butchery research and innovation demonstrations annually
- **250 students take taster courses in butchery as value added programme
- ** Strengthened ability to deliver against recently secured regional contract for apprentice training with improved capacity to scale up to national level (Bookers' contract)
- ** 25 demonstrations annually of adding value to primary material to encourage new bakery market development
- ** 14 FT students / trained in bakery (Level 2)
- ** 14 FT students / trained in bakery (Level 3)
- **144 qualified bakers attending bakery master classes annually

- **120 adults attending bakery short courses annually
- ** 28 apprentices trained in bakery and skills annually
- ** 1.0 lecturing job created (bakery)
- ** 0.5 technician job created (bakery)
- ** 0.25 cleaning role created Bakery)
- ** 30 businesses using the facility for bakery product development and evaluation
- ** 200 businesses / employees attending bakery research and innovation demonstrations annually
- **130 students take taster courses in bakery as value added programme
- ** Improved and scaled up direct support for business through Account Manager function - more timely skills evaluation, planning and proposals. Improved support to access existing and forthcoming rural support and transitions schemes arising through Brexit (Readiness to deliver against the forthcoming Agriculture Bill)

A2. Improved pedestrian and road user access to new facilities

- Remodelling of Wales Lane and construction of new access road and car parking facilities. Enhancement of road entrance to allow 2 way traffic at all times and facilitate main site user access. Widening of road junction and adopted highway "Wales Lane"; demolition of existing glasshouse and construction of new road way
- Re-siting of animal enclosures and construction of new car park

A2. Project outputs and outcomes

- ** 400 staff experience 88,000 improved and safety enhanced pedestrian and traffic movements annually
- ** 900 students experience 130,000 improved and safety enhanced pedestrian and traffic movements annually
- ** 2000 visitors to the site experience improved and safety enhanced pedestrian and traffic movement
- Improved attractiveness of site for conferencing and knowledge transfer because of improved access and greater car parking
- ** 600 Animal Science and Veterinary Nursing students experience improved access to wider range of higher quality resources
- ** Visitors and staff have 60,000 improved parking experiences
- ** Preparatory work for development of zoo license enclosures (training facility)

A3. Redevelopment of pig production and beef and sheep handling facilities, including automated milking stations

- Demolition of existing facility and construction of a 2 FTE staff capacity unit to act as a primary demonstration and skills facility in direct support of butchery unit
- Enhancement of existing BEEF facilities to install new race system and herd inspection equipment
- Enhancement of existing SHEEP facilities to install new race system and flock inspection equipment
- Remodelling of existing dairy unit to include new technologies for milking and cow welfare

A3. Project outputs and outcomes

- ** Development safeguards the only teaching pig unit in Sussex
- ** 1100 visitors and schoolchildren observe pig production from biosecurity zone integrally built into the new unit, beef handling unit and sheep handling system.
- ** 200 members of the Small Pigs Association use the unit for technical training
- ** 120 FT agriculture students experience latest production techniques within curriculum
- ** 35 apprentices undertake work related experience to supplement learning where pigs are not part of employers operation
- ** 15 training and demonstration sessions held annually for updating technical skills
- ** 1.0 lecturing job created
- ** 1.0 technician job created
- **120 FT agriculture students experience latest production techniques within curriculum,
- ** 35 apprentices undertake work related experience
- ** 15 training and demonstration sessions held annually for updating technical skills
- ** 15 groups of beef producers receive demonstration on vet delivered animal health checks using new handling facilities
- **220 FT agriculture students experience latest handling systems,
- ** 35 apprentices undertake work related experience of the sheep handling system
- ** 15 training and demonstration sessions held annually for updating technical skills

- ** 15 groups of sheep producers receive demonstration on vet delivered animal health checks using new handling facilities
- ** knowledge exchange transfer technical updates - facility regionally for dairy industry, benefiting over 1000 employers
- ** 10 groups of dairy producers attend knowledge transfer session of automated milking and impacts on dairy business
- ** 600 students experience taster training in automation in agriculture, operating the robotic milking equipment
- ** Contingency provided by the College reduces uncertainty for LEP

A4. Village green landscaping

- Significant earthworks and planting to maintain a central green swathe through the campus and protect N-S views to/from the South Downs, creating an outdoor social / learning space for community and College use

A4. Project outputs and outcomes

- ** 0.375ha community engagement space
- ** Provides centre piece to annual careers information event for c14,000 visitors
- ** 6 sector showcase events with industry leads (i.e. equipment dealer shows, NFU, community engagement)
- ** 867m³ / 1127 tonnes land spoil reused (first year only)

Annex 2

The following sections set out the assessment of Preferred Option impacts.

Initial BCR Position – Land Value Uplift

The proposals will result in the creation of around 1,500m² GIA of new specialist education and business support space on the Plumpton College Estate, located on a parcel of land that extends to around 0.5ha. Whilst the site currently supports no activities, base land value estimates have been derived from VOA benchmark evidence contained within the Land Value Estimates for Policy Appraisal Guidance (MCHLG, 2017), and through the application of an average agricultural land values (£22,500 per ha) for the South East, it is estimated that the current base value of the site is £0.01m.

The assessment of residual gross land value that could be achieved on completion of the project is also based on VOA estimates, and whilst the specialist facilities already have a specialist end user, an average industrial land value for the South East (£1.8m per ha) has been used to estimate the residual value of the land. By this estimate, the residual land value would be in the order of £0.9m, £0.8m at Net Present Values (NPV).

On this basis, the overall gross uplift in land values would be in the order of £0.89m (£0.8m at NPV).

To determine the net additionality of the gross uplift in land values, an adjustment to account for displacement (-25%) has been made, reflecting the 'low' displacement threshold set out in the MHCLG Appraisal Guide. This adjustment for displacement reflects the fact that the project is being designed to create capacity to meet unmet demand for specialist targeted education and business support provision in the local area and, with adjustments for displacement, it is estimated that the project has potential to deliver a net land value uplift of £0.67m (£0.6m at NPV).

The table below presents current base and residual land values following the delivery of the project, the overall land value uplift, adjustments for displacement and overall net land value uplift estimates.

Land Value Estimates and Initial BCR Position	
Current Base Land Value (agricultural land)	£11,250
Residual Land Values (industrial land)	£900,000
Total Gross Land Value Uplift	£888,750
Gross Land Value Uplift at Net Present Values (NPV)	£858,315
Displacement effects	-25%
Total Net Land Value Uplift	£666,563
Total Net Land Value Uplift (NPV)	£643,736

On this basis, against a SELEP funding requirement of £4.39m the initial BCR position would be 0.15:1 and against the full project cost of £8.51m, the initial BCR position would be 0.08:1.

Adjusted BCR Position – Welfare Impacts

The delivery of the project is clearly focused on the achievement of wider benefits beyond land value uplift, notably, the benefits of upskilling and targeted business support achieved through the new asset and the resultant effects of enhanced skills and business support activities on (a) labour supply, (b) wage rates and wider (c) operational business efficiencies. To support an adjusted BCR these effects have been monetised in terms of welfare-related GDP impacts.

Profiling of new formal annual learner intakes to the College over the first 10 years has been undertaken and following prudent deductions to account for non-completions and qualifier failure rates (-20%), it is estimated that around 1,550 formal qualifications could be delivered over the first 10 years. A further 400 businesses in the agri-food sector will also receive formal business support activities through the College each year, totalling 4,030 businesses supported over the first 10 years.

Alongside these formal qualifications and business support activities, the new facilities will also deliver a package of promotion, demonstration and masterclass functions which will promote careers in the agri-foods sector widely and ensure that existing skills are maintained and refreshed and that improved practices are transferred across the sector.

(a) Labour Supply Impacts

A proportion of those achieving a qualification are likely to otherwise remain outside / dis-engaged from the labour force. For the assessment of labour supply impacts, it is assumed that 20% (around 310 qualifiers) of those achieving a qualification would otherwise be unemployed or not engage in the labour market.

This assumption has been informed by labour market evidence, which suggests high levels of workforce non-engagement in East Sussex, particularly among 16-24 year olds. Against a national average unemployment rate of 4.0% (YE June 2020), unemployment rates among 16-24 year olds in East Sussex is 14.7%, reflecting significant high levels of unemployment among younger residents locally. Nationally, Department for Education (DfE) analysis (January 2018) suggests that unemployment rates among those with an NVQ Level 3 are similar to the current national unemployment rate (4%, YE June 2020). Looking forward, local level unemployment is likely to be exacerbated by the Covid-19 induced economic recession, including among those looking for first entry to the labour force.

Application of a GDP per job benchmark for Surrey, East Sussex and West Sussex (£72,843, ONS 2018) has then been applied to estimate the overall GDP contribution of workforce entrants, it is estimated that the 310 qualifiers entering the workforce could generate around £226.6m in GDP towards the UK economy through 10 years in employment.

In line with HM Treasury 'Green Book' principles (and associated WebTAG guidance), 40% of the GDP generated can be claimed either as a result of increased tax returns (local or national) or as an avoidance cost in welfare benefit payments and on this basis a total of £90.6m of gross GDP welfare impacts (£62.7m at NPV) could be generated through the first 10 years of participation in the labour force by College qualifiers.

In line with the MHCLG Additionality Guide, deductions for deadweight and displacement have then been made to determine the net additionality of the welfare impacts as follows:

- For deadweight effects, a proportion of the intake may otherwise enrol in alternative college provision, accepting that there are a limited number of alternative providers locally other than Plumpton College itself, which is already operating close to capacity and that the new specialist provision will target a sector where there are known shortfalls in the supply of skills and specialist business support. As such a low level deduction (-25%) has been made to account for deadweight effects nationally.
- For displacement effects, a proportion of the jobs filled by qualifiers may otherwise be filled from elsewhere in the labour market and for prudence, a medium level deduction (-50%) has been made to account for displacement effects. In practice, the College will be aligned to a sector which has high levels of replacement demand nationally over the coming years and the project has, in part, been designed to help ensure a future supply of skilled workers that can meet this demand.

With the application of these adjustments, it is estimated that the project has potential to generate £33.6m of net additional GDP welfare impacts (£23.3m at NPV) generated through labour supply effects.

The table below shows the summary of labour supply impacts assumptions.

Summary of Labour Supply Impacts	
Number of qualifiers (10%) over ten years	311
Total GDP Impact over 10 years	£226.6m
Welfare contribution	40%
Gross GDP Impact over 10 years	£90.6m
Gross GDP Impact at NPV	£62.7m
Deadweight	-25%
Displacement	-50%
Net GDP Impact	£33.6m
Net GDP Impact at NPV	£23.3m

(b) Wage Premiums - Move to More Productive Jobs

It is anticipated that the remaining 80% of qualifiers would otherwise enter the workforce irrespective of the qualification attained. Nevertheless, it is likely that higher levels of attainment will bring improved business productivity (higher GDP) and this ‘move to more productive jobs’ achieved through upskilling by the College will also bring increases to individual wages.

National evidence (Demonstrating the Value of HCG, 2013) suggests a range of ‘wage-premiums’ are achieved through upskilling, depending of the shift in skills levels. For example, a shift from NVQ Level 2 (GCSE equivalent) to NVQ Level 3 (A-level equivalent) typically results in an uplift of around £2,600 in an individual’s annual earnings.

The table below shows the overall number of qualifiers by NVQ level and estimates of wage premiums that could be achieved by qualifiers through first 10 years in employment.

Qualifiers and Wage Premiums by NVQ Level			
Qualification	Qualifiers over 10 years	Annual Wage Premium	Total 10 year Wage Premium
Apprenticeship (NVQ L2)	645	+£1,921	+£12.4m
Apprenticeship (NVQ L3)	230	+£2,609	+£6.0m
FT Students (NVQ L2)	184	+£1,921	+£3.5m
FT Students (NVQ L3)	184	+£2,609	+£4.8m
Total	1,244		+£26.8m

Through this analysis it is estimated that a total of around 1,240 qualifiers from the College could generate wage premiums in the order of £26.8m over the ten years following the completion of the qualification. In line with HM Treasury ‘Green Book’ principles (and WebTag), 30% of the additional wage premiums may be collected through local or national taxation generating £7.9m of gross GDP impacts, £5.5m of GDP at NPV.

As per the assessment of Labour Supply Impacts, adjustments for deadweight and displacement have informed the assessment of net additionality and, through these adjustments, it is estimated that a total of £2.9m of net additional GDP welfare impacts could be generated through the project (£2.1m of GDP at NPV) arising through a move to more productive jobs.

A summary of these adjustments is provided in the table below.

Summary of Move to More Productive Jobs Impact	
Total qualifiers over ten years	1,244
Total gross wage premiums	£26.8m
Welfare contribution	30%
Total gross GDP impact	£7.9m
Total GDP impacts at NPV	£5.5m
Deadweight	-25%
Displacement	-50%
Total net GDP impact	£2.9m
Total GDP impact at NPV	£2.1m

(c) Business Efficiencies - Business Support Impacts

Alongside the welfare-related effects associated with upskilling, a range of formal and less formal business support activities delivered through the College will also bring about improved business performance and over the first 10 years it is estimated that around 4,030 businesses will be engaged by the College for formal coaching, mentoring and tailored support.

Accepting that it is challenging to quantify the impacts of the support provided, a highly prudent view would be that the support provided would lead to a 1% improvement in business performance and, based on evidence for persistence developed to inform the BIS/PWC evaluation of the Regional Development Agencies (2009), it is considered that the impacts of the support would be observed over the first three years among supported businesses. Through the application of an average turnover per business estimate in the agri-foods sector (£2,686,567 per business, ONS), it is estimated the effects of the business support activities delivered over 10 years could support a total of around £325m in turnover and through in applying a turnover per job metric for the sector (£155,000 per job, ONS, 2020), it is estimated that the scale of improved business performance could support around 210 gross FTE jobs, accepting that improved turnover performance does not necessarily directly translate into job outcomes.

Nevertheless, to avoid double counting in the assessment of impacts, a prudent deduction (-50%) has then been made to account for a proportion of potential job outcomes which may be filled by College qualifiers, the impacts of which have been claimed within other welfare-related impact strands. On this basis, a total of 105 further gross FTE jobs could be supported through business support activities delivered by the College over the first 10 years and a total of £76.4m in GDP could be derived through three years of improved business performance.

The effects of this stimulus in labour demands is estimated to have potential to both re-engage some people into the workforce and improve wage rates among others, and similar to the assessment of upskilling, it is considered that 30% of GDP impacts could be accrued in tax returns / welfare impacts, either through the creation of jobs that may be filled through those re-engaging in the workforce or through improved turnover resulting in improved wages and a move to more productive jobs.

On this basis it is estimated that the delivery of business support activities through the College has the potential to support £22.9m of gross welfare-related GDP impacts (£17.8m at NPV) and in adjusting for deadweight (-25%) and displacement (-50%), it is estimated that the Preferred Option has potential to generate £8.6m in net welfare-related GDP impacts, £6.7m at NPV.

The table below presents the analysis of welfare-related GDP impacts associated with formal business support activities delivered through the College.

Summary of Business Support Impact	
Businesses receiving formal support over ten years	4,030
Turnover supported (1% per businesses over 3 years)	£325.0m
Total jobs supported (incl. 50% deduction for impacts captured elsewhere)	105 FTEs
Total GDP supported	£76.4m
Welfare contribution	30%
Total gross welfare-related GDP impact	£22.9m
Total GDP impacts at NPV	£17.8m
Deadweight	-25%
Displacement	-50%
Total net GDP impact	£8.6m
Total GDP impact at NPV	£6.7m

Overall BCR Position – Preferred Option

A summary of the initial (Land Value Uplift-based) and adjusted (Welfare Impacts-based) BCR position is provided in the table below, set against both the SELEP LGF investment and the overall project cost.

This also includes an allowance for Optimism Bias to reflect uncertainties in the project cost estimates. Optimism bias has been set at 25%, reflecting 51% upper end OB in non-standard building in with HM Treasury Green Book supplementary guidance (2018) and mitigated downwards to reflect the advanced stage of the project, cost and planning certainties and the fact that some build elements will be reasonably standard.

Overall BCR Position – Preferred Option		
Net Land Value Uplift (NPV)	£0.6m	
Net Labour Supply Impacts (NPV)	£23.3m	
Net Move to More Productive Jobs Impacts (NPV)	£2.1m	
Net Business Support Impact (NPV)	£6.7m	
Total Net Impact (LVU and Welfare)	£37.7m	
Project Funding Requirement	£4.4m LGF	£8.5m Full Project
Initial BCR	0.15 : 1	0.08 : 1
Adjusted / Overall BCR	7.46 : 1	3.85 : 1
BCR including Optimism Bias (+25%)	5.96 : 1	3.08 : 1

On this basis, when compared to the SELEP LGF investment, the project delivers an overall BCR of 7.46:1. This reflects excellent value for money prospects, notwithstanding other project benefits in terms of the operational jobs supported by the College. Also the project will support a range of less formal education and targeted business interventions to ensure the ongoing success of the Agri-food sector whilst supporting the accessibility and amenity improvements across the Plumpton College estate.

Annex 3

Description of Risk	Impact of Risk	Responsible person	Likelihood Score	Impact Score	Risk Rating	Mitigation	Residual risk rating
Failure to secure planning permission for new developments	Development is unable to go ahead – project is non-deliverable	[REDACTED]	N/A	N/A		Planning permission now in place	
Cash flow implications caused by project expenditure	Project delivery stalls	[REDACTED]	2	3	6	We have negotiated a loan package with [REDACTED] which includes contingency finance allowing the college to maintain delivery momentum between quarterly claims. Payment schedule to contractor aligns with SELEP claim/payment framework	4
COVID-19 leads to further local/national lockdown	Project slippage, outcome delivery is delayed; expenditure falls outside SELEP timeframe.	[REDACTED]	3	4	12	Front-loading agreement to be agreed with funders prior to start. Contractor agreements will be controlled by time penalties & delay damages. PQQ to focus on management of multiple workstreams. Project planning has been based on historical delivery experience and is seen as sensible. The project plan will retain the flexibility to stream multiple workflows.	9
	Cost inflation	[REDACTED]	5	5	25	Cost plan to be revised prior to tender for VE identification where necessary. Utilise JCT rather than NEC contract to limit COVID cost liabilities. Cost estimates have been revised based upon aspects of known costs following procurement activity already underway. Clear value engineering strategy	15
Failure to attract suitable contractor (s)	Project slippage, VFM implications, impact on core business / day to day operations	[REDACTED]	2	4	8	Utilise the South East Consortium framework for development procurement. Utilise the EOI phase to focus on experience of delivery in similar settings & timeframes. College maintains recommended contractor database. CMP already in draft form. Project plan is realistic and allows for selection and notice to contractors. The college has extensive experience delivering large-scale projects involving multiple contractors and various procurement methods. The multi-element aspect of the project reduces the reliance upon a single contractor for delivery.	4
Potential future educational funding changes by government may negatively impact upon cashflow and/or the unit value of student outcomes	Core business activity constrained; beneficiary engagement reduced.	[REDACTED]	2	5	10	We are capitalising upon demand generated through the COVID-recovery programmes (such as Lifetime Skills Guarantee). The college has long since re-aligned its core functions to be in a position to respond to new government priorities. This project will allow us to push apprenticeship growth, traineeships and adult skills which at present are funding priorities. The college has a clear and informed strategic plan, which is underpinned by sector awareness and the ability to respond quickly to new initiatives.	5
Key delivery staff leave the college	Loss of project momentum & understanding / assessment of risk	[REDACTED]	2	4	8	Fortnightly project updates prevent pooling of information around a single individual. Staff are on 2 months' notice, which allows replacement and handover to be undertaken. We successfully manage this risk continually during the course of normal business.	6